

SCS SB 299 & 40 -- PERFORMANCE-BASED BUDGETING

SPONSOR: Champion (Bearden)

COMMITTEE ACTION: Voted "do pass" by the Committee on Budget by a vote of 15 to 10 with 1 present.

This substitute requires the Director of the Division of Budget and Planning to develop and implement a performance-based budgeting system that establishes goals and objectives, provides detailed measures of program and fund performance against attainment of planned goals, and provides for program evaluation. The Governor may consider outcome measures used for each program and fund as compared with the attainment of the established goals of the program and fund over the preceding three fiscal years in preparing budget recommendations to the General Assembly. The General Assembly is to consider the three preceding fiscal years' outcome measures and attainment of goals and objectives for each program and fund in approving appropriation levels for each program and fund.

The Governor's budget recommendations, which are annually submitted to the General Assembly, are to include all outcome measures and attainment of established goals and objectives of each program and fund for the preceding three fiscal years, the current fiscal year, and the following two fiscal years; the most recent reports submitted by the State Auditor's Office; and any evaluations done by the Oversight Division of the Committee on Legislative Research.

Beginning January 1, 2005, the substitute requires a performance-based budgeting review of each department and agency at least once every five years. The chairpersons of the House Budget Committee and the Senate Appropriations Committee and the Director of the Division of Budget and Planning are required to review the outcome measures used for programs and funds within the department, division, or agency being reviewed.

FISCAL NOTE: No impact on state funds.

PROPOSERS: Supporters say that performance-based budgeting results in better targeting of resources and provides feedback to better fine tune program and department goals. The substitute provides consistency in measurement of goal attainment for all departments in state government.

Testifying for the bill was Senator Champion.

OPPOSERS: There was no opposition voiced to the committee.

Roland Tackett, Legislative Analyst